



Southern New England  
Telephone  
227 Church Street  
New Haven, Connecticut 06510  
Phone (203) 771-8514  
Fax (203) 624-3549

Wendy Bluemling  
Director  
Regulatory Affairs

June 16, 1998

Ms. Magalie R. Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

RECEIVED  
JUN 16<sup>DEM</sup> 1998  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Docket No. 96-150, Accounting Safeguards Under the Telecommunications Act  
of 1996

Dear Ms. Salas:

The Southern New England Telephone Company ("SNET") submits this letter to inform the Federal Communications Commission ("Commission") that SNET is withdrawing and resubmitting its *Petition for Expedited Limited Waiver* filed in the above-referenced proceeding on October 31, 1997.

A check in the amount of \$5,665.00 has been forwarded to the Treasury Department's lockbox located at the Mellon Bank in Pittsburgh, PA. on June 16, 1998, along with the original copy of this Petition.

If there are any further questions, please feel free to contact me.

This letter is filed in accordance with Section 1.1206(a)(1) of the Commission's rules. Two (2) copies of this letter are being filed today.

Sincerely,

Wendy S. Bluemling

Copy: Jose Rodriguez  
Andrew Mulitz  
Kenneth Ackerman  
Ken Moran

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

RECEIVED

JUN 16 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of: )  
)  
Implementation of the ) CC Docket No. 96-150  
Telecommunications Act of 1996: )  
)  
Accounting Safeguards Under the )  
Telecommunications Act of 1996 )

PETITION FOR EXPEDITED LIMITED WAIVER

The Southern New England Telephone Company (SNET) respectfully submits this Petition For Expedited Limited Waiver (Petition), from a portion of the Report and Order adopted by the Federal Communications Commission (Commission) in this proceeding.<sup>1</sup> SNET only seeks a limited waiver from the market valuation of services requirement set forth in the Commission's Report and Order. In its Petition, SNET will demonstrate that good cause exists to grant SNET's Petition for services provided until such time as SNET's Competitive Local Exchange Carrier ("CLEC") affiliate, SNET America, Inc. ("SAI"), becomes fully operational. While SNET anticipates that the activity required by the Connecticut Department of Public Utility Control ("CDPUC") prior to SAI's entry into the marketplace as a CLEC will be completed by December 31, 1998, proceedings are currently underway in Connecticut which will likely extend this process until mid-1999. Thus, SNET respectfully requests that the Commission grant this

<sup>1</sup> In the Matter of Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, CC Docket No. 96-150, Report and Order, released December 24, 1996 (FCC 96-490) (Report and Order).

No. of Copies rec'd 083  
List A B C D E

waiver until July 1, 1999. SNET urges the Commission to act expeditiously, thus relieving SNET from conducting a market valuation which would have no value to SNET or its subscribers.

## I. INTRODUCTION

The Report and Order requires that services provided by, and to, a LEC be recorded at the higher of market or FDC, and the lower of market or FDC, respectively.<sup>2</sup> The Commission created an exception from the market valuation of services for LECs which have a separate affiliate that exists solely to provide such services.<sup>3</sup> On February 20, 1997, SNET filed a Petition for Limited Reconsideration in this proceeding, seeking limited reconsideration of the Report and Order to allow SNET to utilize the same exception provided to other LECs in the valuation of affiliate transactions, thereby preventing SNET's subscribers from being unfairly burdened with costs, simply because SNET's corporate structure differed, at that time, from that of other LECs. A limited number of parties filed oppositions to SNET receiving a similar exception from the market valuation requirement. On April 16, 1997, SNET filed its Reply to Oppositions to its Petition for Limited Reconsideration, to explain why expanding the exception is appropriate. To date, the Commission has not acted on SNET's Petition for Limited Reconsideration.

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<sup>2</sup> Id.

<sup>3</sup> Id. at ¶ 148; Appendix B, § 32.37(c).

On June 25, 1997, CDPUC issued a final decision approving SNET's request to restructure its corporate organization.<sup>4</sup> Under this new corporate organization, on September 1, 1997, SNET's Holding Company (Southern New England Telecommunications Corporation) began providing corporate services (i.e., Human Resources, Accounting, Legal, Finance, etc.) to each of its affiliates, in addition to general corporate governance. Thus, on September 3, 1997, SNET filed an *ex parte* letter informing the Commission of these facts and that SNET would avail itself of the exception provided in Paragraph 148 of the Commission's Report and Order.<sup>5</sup> However, by virtue of this same CDPUC decision, on January 1, 1998, SNET will begin operating in a dual retail mode for a limited period. In this mode, both SAI and SNET will provide telecommunications services on a retail basis, until such time as SNET withdraws from the retail market. During this period, certain services (i.e., billing, marketing, sales, customer service, etc.) will continue to be provided by SNET. This will conclude when SAI becomes fully operational, at which time SNET will discontinue the provision of these services.

Thus, SNET respectfully requests that the Commission grant SNET a waiver from the valuation of services requirement set forth in the Report and Order, for those services which SNET will continue to provide for a limited period of time.

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<sup>4</sup> Docket No. 94-10-05, DPUC Investigation Of SNET Affiliate Matters Associated With The Implementation Of Public Act 94-83.

<sup>5</sup> Letter from Wendy S. Bluemling, Director of Regulatory Affairs at SNET, to William F. Caton, Acting Secretary of the Commission, dated September 3, 1997.

## II. SNET WOULD BE UNDULY BURDENED BY ATTEMPTING TO OBTAIN MARKET VALUATION INFORMATION.

SNET would be unduly burdened by attempting to obtain market valuation information for purposes of valuing the services that SNET will perform on a temporary basis. The Report and Order and Section 32.2(c) of the Commission's rules now require LECs to produce an estimate of market value for each and every service provided by the LEC to its affiliates. In order to perform the required analyses, SNET would have to devote resources to evaluate the extent to which comparable services are offered by vendors and, if so, what the prices for these services would be. Even if this information were readily available, obtaining estimates of fair market value for services specifically tailored to the corporate family would result in a significant non-value-added expenditure of company resources, which would ultimately be borne by subscribers. Conducting these analyses would be of doubtful use at best and would be limited only to a short period of time. Thus, SNET would be required to expend limited resources in an endeavor which would have essentially no value to either SNET or its subscribers.

## III. CONCLUSION

On January 1, 1998, SNET will begin operating in a dual retail mode. For a limited time, SNET will provide certain marketing and customer related services to its affiliates until SAI becomes fully operational. At that time, SNET's provision of these services will cease. SNET would be unduly burdened by attempting to obtain relevant market information for purposes of valuing every service provided by SNET during this limited period. Moreover, such an endeavor would have virtually no value for either SNET or its subscribers. Thus, SNET respectfully requests that the Commission grant

SNET a waiver of the market valuation of marketing and customer related services requirement for the limited time described herein.

Respectfully submitted,

THE SOUTHERN NEW ENGLAND  
TELEPHONE COMPANY

By: Wendy S. Bluemling  
Wendy S. Bluemling  
Director - Regulatory Affairs  
227 Church Street  
New Haven, CT 06510  
(203) 771-8514

October 31, 1997



THE SOUTHERN NEW ENGLAND  
TELEPHONE COMPANY

0140123

51-44  
119

Date 06/15/98

To The  
Order Of

FEDERAL COMMUNICATION COMMISSION  
1919 MAIN ST N.W.  
WASHINGTON, DC.

Pay \*\*\*5,665.00\*\*\*

Assistant Treasurer

Shawmut Bank  
Hartford, Connecticut

⑈0140123⑈ ⑈011900445⑈

48946⑈

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**REMITTANCE ADVICE**

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(1) LOCKBOX #

PAGE NO. 1 OF 1

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**SECTION A - PAYER INFORMATION**

(3) PAYER NAME (If paying by credit card, enter name exactly as it appears on your card)

SOUTHERN NEW ENGLAND COMMUNICATIONS CORPORATION

(5) TOTAL AMOUNT PAID (dollars and cents)

\$ 5,665.00

(4) STREET ADDRESS LINE NO. 1

Wendy S. Bluemling

(6) STREET ADDRESS LINE NO. 2

227 Church Street, 4th Floor

(6) CITY

New Haven

(7) STATE

CT

(8) ZIP CODE

06510

(9) DAYTIME TELEPHONE NUMBER (include area code)

(203) 771-8514

(10) COUNTRY CODE (If not in U.S.A.)

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B  
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

**SECTION B - APPLICANT INFORMATION**

(11) APPLICANT NAME (If paying by credit card, enter name exactly as it appears on your card)

(12) STREET ADDRESS LINE NO. 1

(13) STREET ADDRESS LINE NO. 2

(14) CITY

(15) STATE

(16) ZIP CODE

(17) DAYTIME TELEPHONE NUMBER (include area code)

(18) COUNTRY CODE (If not in U.S.A.)

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)

**SECTION C - PAYMENT INFORMATION**

(19A) FCC CALL SIGN/OTHER ID

(20A) PAYMENT TYPE CODE (PTC)

B E A

(21A) QUANTITY

1

(22A) FEE DUE FOR (PTC) IN BLOCK 20A

\$ 5,665.00

FCC USE ONLY

(23A) FCC CODE 1

(24A) FCC CODE 2

(19B) FCC CALL SIGN/OTHER ID

(20B) PAYMENT TYPE CODE (PTC)

(21B) QUANTITY

(22B) FEE DUE FOR (PTC) IN BLOCK 20B

FCC USE ONLY

(23B) FCC CODE 1

(24B) FCC CODE 2

(19C) FCC CALL SIGN/OTHER ID

(20C) PAYMENT TYPE CODE (PTC)

(21C) QUANTITY

(22C) FEE DUE FOR (PTC) IN BLOCK 20C

FCC USE ONLY

(23C) FCC CODE 1

(24C) FCC CODE 2

(19D) FCC CALL SIGN/OTHER ID

(20D) PAYMENT TYPE CODE (PTC)

(21D) QUANTITY

(22D) FEE DUE FOR (PTC) IN BLOCK 20D

FCC USE ONLY

(23D) FCC CODE 1

(24D) FCC CODE 2

**SECTION D - TAXPAYER INFORMATION (REQUIRED)**

(25)

PAYER TIN

0 0 6 0 5 4 2 6 4 6

(26) COMPLETE THIS BLOCK ONLY IF APPLICANT NAME IN B-11 IS DIFFERENT FROM PAYER NAME IN A-2)

APPLICANT TIN

0

**SECTION E - CERTIFICATION**

(27) CERTIFICATION STATEMENT

I, Barbara Majeski, Certify under penalty of perjury that the foregoing and supporting information  
(PRINT NAME)  
are true and correct to the best of my knowledge, information and belief. SIGNATURE Barbara Majeski

**SECTION F - CREDIT CARD PAYMENT INFORMATION**

(28)

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION DATE:

MASTERCARD

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD  
for the service(s)/authorization(s) herein described.

AUTHORIZED SIGNATURE

DATE



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PAGE NO 1 OF 1

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(3) TOTAL AMOUNT PAID (dollars and cents)

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(8) ZIP CODE

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(203) 771-8514

(10) COUNTRY CODE (If not in U.S.A.)

**IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B  
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)**

**SECTION B - APPLICANT INFORMATION**

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(12) STREET ADDRESS LINE NO. 1

(13) STREET ADDRESS LINE NO. 2

(14) CITY

(15) STATE

(16) ZIP CODE

(17) DAYTIME TELEPHONE NUMBER (include area code)

(18) COUNTRY CODE (If not in U.S.A.)

**COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)**

**SECTION C - PAYMENT INFORMATION**

(19A) FCC CALL SIGN/OTHER ID

(20A) PAYMENT TYPE CODE (PTC)

D E A

(21A) QUANTITY

1

(22A) FEE DUE FOR (PTC) IN BLOCK 20A

\$ 5,665.00

FCC USE ONLY

(23A) FCC CODE 1

(24A) FCC CODE 2

(19B) FCC CALL SIGN/OTHER ID

(20B) PAYMENT TYPE CODE (PTC)

(21B) QUANTITY

(22B) FEE DUE FOR (PTC) IN BLOCK 20B

FCC USE ONLY

(23B) FCC CODE 1

(24B) FCC CODE 2

(19C) FCC CALL SIGN/OTHER ID

(20C) PAYMENT TYPE CODE (PTC)

(21C) QUANTITY

(22C) FEE DUE FOR (PTC) IN BLOCK 20C

FCC USE ONLY

(23C) FCC CODE 1

(24C) FCC CODE 2

(19D) FCC CALL SIGN/OTHER ID

(20D) PAYMENT TYPE CODE (PTC)

(21D) QUANTITY

(22D) FEE DUE FOR (PTC) IN BLOCK 20D

FCC USE ONLY

(23D) FCC CODE 1

(24D) FCC CODE 2

**SECTION D - TAXPAYER INFORMATION (REQUIRED)**

(25)

PAYER TIN

0 0 6 0 5 4 2 6 4 6

(26) COMPLETE THIS BLOCK ONLY IF APPLICANT NAME IN B-11 IS DIFFERENT FROM PAYER NAME IN A-3

APPLICANT TIN

0

**SECTION E - CERTIFICATION**

(27) CERTIFICATION STATEMENT

I, Barbara Majeski, Certify under penalty of perjury that the foregoing and supporting information  
(PRINT NAME)  
are true and correct to the best of my knowledge, information and belief. SIGNATURE Barbara Majeski

**SECTION F - CREDIT CARD PAYMENT INFORMATION**

(28)

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION DATE:

MASTERCARD

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD

AUTHORIZED SIGNATURE

DATE

for the service(s)/authorization(s) herein described.

**FedEx** USA AirbillTracking  
Number

7997086786

Sender's Copy

53 100 21325667 5293M

**1 From (please print)**

Date

6-15-8

Sender's FedEx Account Number

1087-5468-0

Sender's Name

REGULATORY DEPT

Phone

(203-771-8515

Company

SMET

Dept/Floor  
Suite/Room

Address

227 CHURCH ST

City

NEW HAVEN

State

CT

Zip

06510

**2 Your Internal Billing Reference Information**  
(Optional) (First 24 characters will appear on invoice)

57113100-040A

57/F/700 0401

**3 To (please print)**

Recipient's Name

WHOLESALE LOCKBOX

Phone

Company

FCC-BELLON BANK

153-2713

Dept/Floor  
Suite/Room

Address

(To "HOLD" at FedEx location,  
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525 WILLIAM PENN WAY 27TH FL

(We Cannot Deliver to P.O. Boxes or P.O. Zip Codes)

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PITTSBURGH

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contain dangerous goods?☐ Yes (As per attached  
Shipper's Declaration)☐ Yes (Shipper's Declaration  
not required)☐ Dry Ice(Dry Ice: 9 UN 1845 ill;  
(Dangerous Goods Shipper's Declaration not required)

kg 904

CA ☐ Cargo Aircraft Only**7 Payment**Bill  
to:☐ Sender  
(Account no. as  
section 1 will be billed)☐ Recipient☒ Third Party☐ Credit Card☐ Cash/  
Check

(Enter FedEx account no. or Credit Card no. below)

FedEx Account No.

Credit  
Card No.Exp  
Date

Total Packages

Total Weight

Total Declared Value\*

Total Charges

\$ 00 \$

\*When declaring a value higher than \$100 per package, you pay an additional charge. See **SERVICE CONDITIONS, DECLARED VALUE AND LIMIT OF LIABILITY** section for further information.**8 Release Signature**

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